Scam in exports and imports in I.T.

2279. SHRI NANDI YELLAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is over-invoicing and under-invoicing scam with regard to exports and imports in Information Technology Companies with regard to our trade U.S.A;

(b) whether it is a fact that U.S.A. stated that it imported software worth 1.6 billion dollars from India for 2002-03, while India stated that it exported software worth 6.3 billion dollars to U.S.A. during 2002-03;

(c) if so, details of measures taken by Government to recover this huge loss of nearly Rs. 22,000/- crores of foreign exchange to our nation, due to this scam, through Havala operators; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN) : (a) to (d) The value of Indian exports to USA in Information Technology (IT) Software and Services during the year 2002-03 was US$ 6.46 billion according to data collected by the National Association of Software and Service Companies (NASSCOM), India. US data in respect of the services sector covers only "cross border trade" and "sales through majority owned affiliates" As per the data released by the US Bureau of Economic Analysis (BEA), India's services exports to the US for the calendar years 2002 and 2003 were 275 million & US $ 892 million (through majority owned Indian companies located in the US) respectively.

One case has been detected involving under-invoicing of imports effected on free of charge basis from the parent company situated in the US. The company has so far paid Rs. 23 lakh towards Customs duty liability and further investigation in this case is being carried out.

Reduction of customs duty on various items

2280. SHRI V. NARAYANASAMY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government is planning to reduce customs